

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 5663

13 December 2024

COMPETITION COMMISSION

NOTIFICATION TO APPROVE WITH CONDITIONS THE TRANSACTION INVOLVING:

THE INDEPENDENT INSTITUTE OF EDUCATION (PTY) LTD T/A PROPERTY DIVISION
AND

FIRSTRAND BANK LIMITED IN RESPECT OF THE PROPERTY KNOWN AS THE
SANDOWN CONFERENCE AND LEARNING CENTRE

CASE NUMBER: 2024JUL0031

The Competition Commission hereby gives notice, in terms of Rule 38 (3)(c) of the 'Rules for the Conduct of Proceedings in the Competition Commission', that it has approved the transaction involving the abovementioned firms subject to conditions set out below:

Background

1. On 19 July 2024, the Competition Commission (the "Commission") received notice of an intermediate merger whereby the Independent Institute of Education (Pty) Ltd t/a Property Division ("IIE") intends to purchase the immovable property known as the Sandown Conference and Learning Centre ("Target Property") from FirstRand Bank Limited ("FirstRand"). Upon implementation of the proposed merger, IIE will exercise sole control over the Target Property.
2. The primary acquiring firm is IIE, a company incorporated in terms of the laws of the Republic of South Africa ("South Africa"). IIE is wholly owned and controlled by ADvTECH Limited ("ADvTECH") a public company listed on the Johannesburg Stock Exchange ("JSE"). ADvTECH wholly owns and controls ADvTECH Resourcing Holdings (Pty) Ltd ("ADvTECH Resourcing Holdings") and Maramedia (Pty) Ltd ("Maramedia").
3. IIE controls several firms. ADvTECH, IIE and all its subsidiaries are hereinafter referred to as the Acquiring Group.
4. The merging parties indicate that IIE has 26.19% shareholding held by historically disadvantaged persons ("HDPs").

5. The Acquiring Group is a private higher education institution in South Africa operating across 23 sites offering more than 130 registered and accredited higher education programmes from Higher Certificates to Doctorate level on its IIE Varsity College ("Varsity College"), IIE Vega ("Vega"), IIE MSA, IIE Rosebank College and IIE HSM campuses.
6. In addition, the Acquiring Group has a property division which is responsible for acquiring, preparing and maintaining buildings, facilities that are integral to the Acquiring Group's provision of educational services.
7. The primary target firm is FirstRand in respect of the Target Property. The Target Property is described as an immovable property known as the Sandown Conference and Learning Centre, situated at 112 Grayston Drive, Sandown, Johannesburg, 2196, fully described as Erf 44 of the Township Sandown, in the extent of 47 586 m².
8. The Target Property is controlled by FirstRand. FirstRand is a public company listed on JSE and as such it is not controlled by any individual firm. The merging parties indicate that FirstRand has 28.96% shareholding held by HDPs. Thus, through the FirstRand, the Target Property has an indirect shareholding held by HDPs of 28.96%.
9. The Target Property includes a 160-seater auditorium, 3 boardrooms, 17 conference facilities, swimming pool, tennis courts, four double storey blocks with 2 of the blocks having lower ground levels of accommodation facilities with a capacity of 121 rooms. The total GLA of the building is 10 424 m².
10. The Target Property was mothballed in 2020. Previously the Target Property served as a training centre for FirstRand's employees.

Competition Assessment

11. The Commission found that the proposed transaction is unlikely to result in any substantial prevention or lessening of competition in any relevant markets.

Public interest considerations

12. To address public interest concerns, the parties have tendered the conditions set out in **Annexure A**.
13. The Commission approves the proposed transaction in accordance with the conditions set out in **Annexure A**.

ANNEXURE A: CONDITIONS**THE INDEPENDENT INSTITUTE OF EDUCATION (PTY) LTD T/A PROPERTY DIVISION****AND****FIRSTRAND BANK LIMITED IN RESPECT OF THE PROPERTY KNOWN AS THE
SANDOWN CONFERENCE AND LEARNING CENTRE****CASE NUMBER: 2024JUL0031**

CONDITIONS

1. DEFINITIONS

1.1. The following expressions shall bear the meaning assigned to the below and cognate expressions bear a corresponding meaning –

1.1.1. **“Acquiring Firm”** means The Independent Institute of Education (Pty) Ltd t/a Property Division;

1.1.2. **“Approval Date”** means the date referred to on the Commission’s Merger Clearance Certificate;

1.1.3. **“Cleaning Services”** means any services in relation to the cleaning, maintaining (limited to cosmetic maintenance) and sanitary upkeep of the Target Property;

1.1.4. **“Commission”** means the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Competition Act;

1.1.5. **“Competition Act”** means the Competition Act No. 89 of 1998, as amended;

1.1.6. **“Conditions”** means these conditions, and “Condition” means, as the context requires, any one of them;

1.1.7. **“Days”** means any calendar day other than a Saturday, Sunday or an official public holiday in South Africa;

- 1.1.8. “**HDP**” means a historically disadvantaged person as contemplated in section 3(2) of the Competition Act;
- 1.1.9. “**Implementation Date**” means the date, occurring after the Approval Date, on which the Merger is implemented by the Merger Parties – in this instance, when ownership of the Target Property is transferred from the Target Firm to the Acquiring Firm;
- 1.1.10. “**Merged Entity**” means the Target Property subject to the control of the Acquiring Firm;
- 1.1.1. “**Merger**” means the acquisition of the Target Property by the Acquiring Firm from the Target Firm;
- 1.1.2. “**Merger Parties**” means the Acquiring Firm and the Target Firm;
- 1.1.3. “**Operational Date**” means the date upon which the Target Property has been fully renovated and repurposed in accordance with the Acquiring Firm’s business plan for the site – and is accordingly fully operational;
- 1.1.4. “**Operational Phase**” means the period following the Operational Date;
- 1.1.5. “**Refurbishment Phase**” means the period between the Implementation Date and the Operational Date;
- 1.1.6. “**Security Services**” means any services for the purpose of the protection, guarding or monitoring of the Target Property;
- 1.1.7. “**SME**” means small and medium businesses as contemplated in section 1 of the Competition Act;
- 1.1.8. “**South Africa**” means the Republic of South Africa;
- 1.1.9. “**Target Firm**” means FirstRand Bank Ltd in respect of the Target Property;
- 1.1.10. “**Target Property**” means the Sandown CLC Conference and Learning Centre, situated at 112 Grayston Drive, Sandown, Johannesburg, 2196 – more fully described as Erf 44 of the Township Sandown, in the extent of 47 586 m² (forty-seven thousand five hundred and eighty-six square meters);

- 1.1.11. **“Tribunal”** means the Competition Tribunal of South Africa, a statutory body established in terms of section 26 of the Competition Act; and
- 1.1.12. **“Tribunal Rules”** means the Rules for the Conduct of proceedings in the Tribunal.

2. **CONDITIONS**

- 2.1. With effect from the Implementation Date, the Acquiring Firm undertakes to contract with an HDP Owned and Controlled Entity and/or SMME for the provision of Security Services in relation to the Target Property during the Refurbishment Phase, until completion of the Refurbishment Phase, which is estimated to be a period of 15 (fifteen) months.
- 2.2. The Acquiring Firm undertakes to contract with an HDP Owned and Controlled Entity and/or SMME for the provision of Cleaning Services in relation to the Target Property for a period of 3 (three) years with effect from the commencement of the Operational Phase.

3. **MONITORING OF COMPLIANCE WITH THE CONDITIONS**

- 3.1. The Acquiring Firm shall inform the Commission in writing of the Implementation Date within 5 (five) days of it becoming effective.
- 3.2. The Acquiring Firm shall inform the Commission in writing of the Operational Date within 5 (five) days of it becoming effective.
- 3.3. The Acquiring Firm shall, from the first anniversary of the Implementation Date, submit annual reports confirming compliance with the conditions in clause 2 above.
- 3.4. The reports submitted in terms of paragraph 3.3 shall be accompanied by an affidavit deposed to by a senior official of the Acquiring Firm, confirming the accuracy of the information contained in the report and attesting to the compliance with the Conditions.

- 3.5. The Commission may request any additional information from the Merger Parties, which the Commission may from time to time deem necessary for the purposes of monitoring the extent of compliance with these Conditions.

4. APPARENT BREACH

- 4.1. If the Merged Entity appears to have breached the above Conditions or if the Commission determines that there has been an apparent breach by the Merger Parties of the Conditions, this shall be dealt with in terms of Rule 39 of the Commission Rules read with Rule 37 of the Rules for the Conduct of Proceedings in the Tribunal.

5. VARIATION

- 5.1. The Merger Parties may at any time, on good cause shown, apply to the Commission for any of the Conditions to be waived, relaxed, modified and/or substituted. Should a dispute arise in relation to the variation of the Conditions, the Merger Parties shall apply to the Tribunal, on good cause shown and on notice to the Commission, for the Conditions to be waived, relaxed, modified and/or substituted.

6. GENERAL

- 6.1. All correspondence in relation to these Conditions must be submitted to the following email addresses: mergerconditions@compcom.co.za and ministry@thedtic.gov.za.

Enquiries in this regard may be addressed to the Manager: Mergers and Acquisitions Division at Private Bag X23, Lynnwood Ridge, 0040. Telephone: (012) 394 3298